

EXHIBIT A – APPLICABLE LAWS

Laws, regulations, and authoritative guidance incorporated into this Agreement include, without limitation:

1. Housing and Community Development Act of 1974, Pub L, No. 93-383, as amended.
2. Housing and Economic Recovery Act of 2008, as amended.
3. Cranston-Gonzales National Affordable Housing Act of 1990, as amended.
4. 24 CFR Part 93, Housing Trust Fund Program Interim Rule.
5. State of Colorado Community Development Block Grant (CDBG) Guidebook, available on DOLA's website.
6. 24 CFR Parts 0-91 Housing and Urban Development.
7. 24 CFR Subtitle B, Chapter I – XXV, HUD.
8. 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
9. 2 CFR Part 230, Cost Principles for Non-Profit Organizations.
10. 2 CFR Part 200 Section 500 et seq., Audit Requirements.
11. §29-1-601, *et seq.*, Local Government Audit Law.
12. §24-32-106, Powers of the director provision.
13. §24-32-705(1)(i), DOH ability to accept and receive grants
14. 16 USC §469 et seq., Historic Preservation.
15. 2 USC Chapter 26, Disclosure of Lobbying Activities.
16. 5 USC §552a, Public Information; agency rules, opinions, order, records and proceedings (Privacy Act 1974).
17. 8 USC §1101-1646, Immigration and Nationality.
18. 12 USC §§1701- 1701z-15, National Housing Act.
19. 15 USC Chapter 49, Fire Prevention and Control.
20. 16 USC Chapters 1-92, Conservation.
21. 16 USC §469, *et seq.*, Historic Preservation.
22. 16 USC §1531, *et seq.*, Endangered Species.
23. 16 USC §1271, *et seq.*, Wild and Scenic Rivers.
24. 20 USC Chapter 38, Discrimination Based on Sex or Blindness (Title IX, as amended, Education Amendment of 1972).
25. 29 USC Chapter 8, §§201, 206, *et seq.*, as amended, Labor.
26. 29 USC Chapter 14 Age Discrimination in Employment.
27. 29 USC Chapter 16, §§793-794, *et seq.*, as amended, Vocational Rehabilitation and Other Rehabilitation Services.
28. 31 USC Subtitles I – VI, Money and Finance.
29. 40 USC Subtitle I, Federal Property and Administrative Services.
30. 40 USC Subtitle II, Public Buildings and Works.
31. 40 USC §§ 3141 – 3148, Wage Rate Requirements (Davis Bacon).
32. 40 USC §§ 3701 – 3708, Contract Work Hours and Safety Standards Act.
33. 40 CFR Parts 1500-1508, Council on Environmental Quality (Regulations Implementing NEPA).
34. 41 CFR Chapter 60, Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.
35. 41 USC § 6502, *et seq.*, Walsh-Healey Public Contracts Act.
36. 41 USC Chapter 81, Drug Free Workplace.

37. 42 USC Chapter 6A, Public Health Service.
38. 42 USC Chapter 21, Civil Rights.
39. 42 USC Chapter 45 Fair Housing.
40. 42 USC Chapter 50, National Flood Insurance.
41. 42 USC Chapter 55, National Environmental Policy.
42. 42 USC Chapter 63, Lead-Based Paint Poisoning Prevention.
43. 42 USC Chapter 69, Community Development.
44. 42 USC Chapter 76, Age Discrimination in Federally Assisted Programs.
45. 42 USC Chapter 85, Air Pollution Prevention and Control.
46. 42 USC Chapter 89, Congregate Housing Services.
47. 42 USC Chapter 126, Equal Opportunity for Individuals with Disabilities.
48. 42 USC Chapter 130, National Affordable Housing.
49. 42 USC §§300f – 300j-26, Safe Drinking Water.
50. 49 CFR Part 24, as amended, Uniform Relocation Assistance and Real Property for Federal and Federally Assisted Programs.
51. §24-34-301, et seq., C.R.S., Colorado Civil Rights Division.
52. §24-34-501, et seq. C.R.S., Housing Practices.
53. §24-75-601 et seq., C.R.S., Legal Investment of Public Funds.
54. Executive Order 11063, HUD Equal Opportunity in Housing, as amended by Executive Order 12259, Leadership and Coordination of Fair Housing in Federal Programs.
55. Executive Order 11593, Protection and Enhancement of the Cultural Environment.
56. Executive Order 11988, Floodplain Management.
57. Executive Order 11990, Protection of Wetlands.
58. Public Law 110-289, Housing and Economic Recovery Act of 2008.
59. Public Law 111-203, Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
60. Compliance with all applicable standards, orders, or requirements issued pursuant to section 508 of the Clean Water Act (33 USC §1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15). (Applicable to contracts, subcontracts, and subgrants of amounts in excess of \$100,000).
61. Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871). [53 FR 8068, March 11, 1988, as amended at 60 FR 19639, Apr. 19, 1995].
62. HOME Investment Partnerships Program Final Rule at 24 CFR Part 92.

END OF EXHIBIT A

EXHIBIT B – STATEMENT OF PROJECT (SOP)

1. GENERAL

- 1.1. Project Description.** Loan funds (the “Loan Funds”) shall be used to assist with the cost of [construction, other use(s)] of [Project Name], a new affordable rental housing development (the “Project”). The Project shall be [brief description, if relevant – e.g., number of elevators, number of buildings, townhomes, etc.]. The Project shall include number (00) units for rent by households with incomes at or below 30%, 40%, 50%, and 60% of Area Median Income (“AMI”). Additional sources of funds include [examples: 9% Low-Income Housing Tax Credits, ## [type of] project-based vouchers provided by [agency], and Solar Tax Credits].
- 1.2. Eligibility.** This Project is eligible under the Housing Trust Fund Program (“HTF”), at 24 CFR §§93.200-203.
- 1.3. Borrower Entity Type.** Pursuant to the HTF regulations, Borrower is a:
- Recipient, as defined at 24 CFR 93.2
 - Subgrantee, as defined at 24 CFR 93.2
- 1.4. Borrower’s Obligations.** Borrower shall:
- 1.4.1. Complete the Project, administer this Loan, and provide required documentation to the State as specified herein;
 - 1.4.2. Prior to disbursing any Loan funds, enter into a written agreement, the content of which meets DOLA’s requirements, with
 - 1.4.2.1. All entities (e.g. subcontractors) engaged by the Borrower to provide goods or services in furtherance of the purposes of this Loan or who aid in the performance of the Work; and
 - 1.4.2.2. All individuals and entities that receive direct benefits under this Loan (program Beneficiaries).
 - 1.4.3. Not transfer or assign this Loan or any of its provisions without prior, written approval of DOLA. Any attempt at assignment or transfer without such consent shall be void.
- 1.5. Time of Performance.** Borrower shall commence its performance of the Work on the Agreement Performance Beginning Date and complete all Work prior to the Initial Agreement Expiration Date (both of which are shown on the cover page of the Loan Agreement). The Initial Agreement Expiration Date may be extended in accordance with **§2C**, **§2D**, or **§18K** of the Loan Agreement. In the event Borrower desires to extend its time of performance, Borrower shall submit such request to DOLA in writing at least sixty (60) days prior to the Initial Agreement Expiration Date, and shall include a full justification for the extension request.

2. DEFINITIONS

In addition to the definitions in the main body of this Loan, the following terms as used herein shall be construed and interpreted as follows:

- 2.1. Affordable Rent Limits.** “Affordable Rent Limits” means the greater of 30 percent of the monthly federal poverty line or 30 percent of the monthly income of a family whose annual income equals 30 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. The unit rent plus the cost of utilities or the approved utility allowance shall not exceed the Affordable Rent Limit for a particular unit.
- The Affordable Rent Limits in effect on the Effective Date of this Agreement are provided in **Exhibit D**. HUD publishes HTF Affordable Rent Limits tables on an annual basis and, if no longer published, DOLA shall designate an equivalent index. The maximum rent payable by the tenant is equal to the Affordable Rent Limit less any utility allowance and less any rent subsidy.
- 2.2. Affordability Period.** “Affordability Period” shall have the meaning described at **§8.1.7**.
- 2.3. Beneficiaries.** “Beneficiaries” means the persons and/or households who are the end users that benefit from the Project.
- 2.4. Consolidated Plan.** “Consolidated Plan” means the document that DOLA submits to HUD on a quinquennial basis, which serves as the comprehensive housing affordability strategy, community development plan, and submission for funding under all HUD Office of Community Planning and Development formula grant programs. For the purposes of this Loan, this term shall also include the most recent HTF Allocation Plan and Action Plan (as defined in 24 CFR §91.320) that DOLA submits to HUD on an annual basis. The Consolidated Plan is available on DOLA’s website.
- 2.5. Displaced Person.** “Displaced Person” shall have the meaning given in 24 CFR §93.352(c)(2).
- 2.6. Extremely Low-Income Family.** “Extremely Low-Income Family” means a household whose annual income does not exceed 30 percent of the median household income of a geographic area, as determined by HUD, with adjustments for smaller and larger families.
- 2.7. HUD.** “HUD” is the United States Department of Housing and Urban Development.
- 2.8. HTF-Assisted Units.** “HTF-Assisted Units” means the designated HTF units in the Project, as further described in **§8** of this **Exhibit B**, which shall comply with all applicable HUD HTF Program requirements.
- 2.9. Low-Income Family.** “Low-Income Family” means a household whose annual income does not exceed 80 percent of area median income, as determined by HUD, with adjustments for smaller and larger families, or as HUD may establish for the area. The Area Median Income limits for this Project are published annually by HUD, or if no longer published by HUD, an equivalent index shall be designated by DOLA.
- 2.10. Matching Funds.** [Reserved].
- 2.11. Other Funds.** “Other Funds” means funding provided or to be provided by other federal, state, local, or private sources for the Project. Other Funds are good faith estimates and do not include Loan Funds.

- 2.12. **Owner.** “Owner” means the individual or entity that is the fee simple or leasehold owner of real property on which the Project is located.
- 2.13. **Pre-Agreement Costs.** “Pre-Agreement Costs” are costs incurred prior to the Effective Date of this Agreement that are eligible for payment with Loan Funds. Pre-Agreement Costs are allowed only to the extent such costs authorized by the federal funding source and specifically identified in §5.2.4 of this **Exhibit B**.
- 2.14. **Program.** “Program” means the Funding Program identified on the Cover Page of the Loan Agreement.
- 2.15. **Program Income.** “Program Income” shall have the meaning given in 24 CFR §93.2.
- 2.16. **Project.** “Project” means the overall project described in §1.1 including, without limitation, the Work.
- 2.17. **Project Close-Out Date.** “Project Close-Out Date” means the date DOLA determines the Project is complete as identified in writing to the Borrower.
- 2.18. **Subject Property.** “Subject Property” means both real property that Loan Funds are used to improve or acquire, and real property on which structures are constructed, rehabilitated, cleared or demolished using Loan Funds.
- 2.19. **Substantial Completion.** “Substantial Completion” means DOLA’s receipt of a temporary certificate of occupancy for the Project from Borrower for new construction or rental rehabilitation projects or, where the scope of the Project does not require a certificate of occupancy, alternative completion documentation in such form and substance as DOLA reasonably determines to be acceptable to meet the Loan purposes and requirements.
- 2.20. **Very Low-Income Family.** “Very Low-Income Family” means a low-income family whose annual income is in excess of 30 percent but not greater than 50 percent of the median family income of a geographic area, as determined by HUD, with adjustments for smaller and larger families. “Very Low-Income Family” also includes any family that resides in a nonmetropolitan area that does not exceed the poverty line applicable to the family size involved.

3. DELIVERABLES

- 3.1. **Outcome.** Project completion in accordance with 24 CFR §93.2, Borrower's HTF Loan application, the terms of the Loan Agreement, and the specific State-authorized activities described herein.
- 3.2. **Service Area.** The performance of Services for this Loan shall be located in [insert name of applicable county], Colorado.
- 3.3. **Performance Measures.** Borrower shall comply with the following Milestones and Target Dates:

Milestone/Borrower shall:	Target Date:
Close on Property	0/0/2020
Execute and record the Use Covenant and Regulatory Agreement	0/0/2020

Milestone/Borrower shall:	Target Date:
Submit copy of General Contractor agreement	0/0/2020
Begin construction	0/0/2020
Complete 100% of construction & obtain temporary certificate of occupancy or final sign-off from local building department	0/0/2020
Submit Section 3 Report (HUD 60002)	
Submit Minority Owned and Women Owned Business Report (MBE/WBE) (HUD 2516)	
Submit Tenant Selection Plan	0/0/2020
Submit a 504 Self Evaluation checklist/plan. Revise all policies and procedures identified as deficient.	0/0/2020
Prior to leasing each HTF unit, verify and document that all persons in the household applying to occupy such unit are lawfully present in the United States according to the applicable requirements.	On-going
Lease 100% of the units	0/0/2020
Submit a Cost Certification	Per §7.3
Submit Quarterly Financial Status Reports	Per §7.4.1
Submit Quarterly Performance Reports	Per §7.4.2
Submit Project Lease-up Reports	Per §7.4.3
Submit a Project Completion Report	Per §7.4.4
Submit an Environmental Report	Per §7.4.6

4. KEY PERSONNEL

4.1. **Responsible Administrator.** Borrower’s performance hereunder shall be under the direct supervision of the individual identified below, an employee or agent of Borrower, who is hereby designated as a key person and the Responsible Administrator of this project:

Name and title of Responsible Administrator
Street Address
City, CO 80000
email:

4.2. **Other Key Personnel.** Name, Title or “None.”

4.3. **DOH Asset Manager.** Name, email@state.co.us.

4.4. **Replacement Personnel.** If any Borrower Key Personnel cease to serve, Borrower shall immediately notify DOH of such event in writing. Replacement of Borrower Key Personnel shall be subject to DOH approval. Requests to replace Borrower Key Personnel shall be made in writing and shall include, without limitation, the name of the person, their qualifications, and the effective date of the proposed change. Notices sent pursuant to this subsection shall be sent in accordance with §14 of the main body

of the Agreement, with a copy to DOH Asset Manager. Anytime Borrower Key Personnel cease to serve, the State, at its sole discretion, may direct Borrower to suspend work on the Project until such time as the Borrower proposes a replacement and such replacement is approved by DOH.

5. FUNDING

The amount of funding provided by the State is limited to the Agreement Maximum Amount shown on the Cover Page of the Loan Agreement, and is shown in the table in §5.2.1 as “Loan Funds (DOLA)”. The Loan Funds shall be used for activities shown in table in §5.2.3.

5.1. **Other Funds.** Borrower shall provide all funds necessary to complete the Project. The sources and Uses/Project Activities listed below, other than the Loan Funds, are good faith estimates.

5.2. Project Budget.

5.2.1. **Sources**

Source		Amount
Grant Funds (DOLA)		\$000,000
Loan Funds (DOLA)		\$000,000
Matching Funds [insert source]		\$000,000
LIHTC Equity		\$000,000
Solar Tax Credit Equity		\$000,000
[City] Fee Waivers		\$000,000
Use	Deferred Developer fee	\$000,000
Total Sources		\$000,000

5.2.2. **Uses/Project Activities**

Use	Amount
	\$000,000
	\$000,000
Total Uses	\$000,000

5.2.3. **Eligible Uses of DOLA Loan Funds**

Eligible Use	Amount
	\$0
Total	\$0

5.2.4. **Pre-Agreement Costs.** Pursuant to 24 CFR §93.201(h), HTF funds cannot be used for development hard costs (as defined section (a) of that section), or for acquisition undertaken before the HTF funds are committed to the project. However, HTF funds may be used for architectural and engineering costs and other related professional services incurred prior to the Effective Date of this Agreement if identified in the table below.

Eligible Use	Amount
	\$0
Total	\$0

5.3. DOLA Loan Funds Budget Line Adjustments.

- 5.3.1. If the table in §5.2.3 contains more than one eligible activity, Borrower shall have authority to make adjustments between eligible activities, up to an aggregate of 10% of such line item, without the prior approval of the State. Such authority shall not allow Borrower to transfer to or between administration budget lines (e.g. development fees, overhead and project delivery). Borrower shall send written notification of allowed adjustments to the State within 30 days of such adjustment.
- 5.3.2. Changes to individual line item amounts in excess of 10% require prior written approval of the DOLA Controller. Borrower shall submit a written request for changes pursuant to this Section to the State. Such request shall include the amount of such request, the reason for the request and any necessary documentation. If the State approves such request, the State may unilaterally execute an Option Letter accepting such request pursuant to §18K of the Loan Agreement.

6. PAYMENT

Payments shall be made in accordance with this section and the provisions set forth in §5 of the Loan Agreement, and this §6 of Exhibit B.

- 6.1. **Payment Schedule.** Borrower shall disburse Loan Funds received from the State within fifteen days of receipt. Excess funds shall be returned to DOLA.

Payment	Amount	Timing
Interim Payment(s)	\$90% of total award	Paid upon DOLA’s receipt and approval of a written request for payment and expense documentation of eligible costs.
Final Payment	\$10% of total award	Paid upon DOLA’s receipt and approval of a written request for payment, expense documentation of eligible costs, Beneficiary data, and all required reports.
Total	\$000,000.00	n/a

- 6.2. **Remittance Address.** If mailed, payments shall be remitted to the following address unless changed in accordance with §14 of the Loan:

Borrower Name
Address
City, CO 80000

- 6.3. **Interest.** If advance payments are authorized, Borrower may keep interest earned from federal funds up to \$100 per year for administrative expenses. All interest earned in excess of \$100 shall be remitted to DOLA.
- 6.4. **Withholding of Payments.** In addition to any other rights that the State has with respect to enforcement of this Agreement, DOH may, at its discretion, withhold its approval of payment requests submitted by Borrower pursuant to §6.1 pending Borrower’s submission and DOH’s review and approval of:

- 6.4.1. Proof that **Exhibit F** (the Regulatory Agreement) has been properly recorded.
- 6.4.2. Any reporting required pursuant to the terms of the main body of the Loan Agreement or this **Exhibit B**.

7. ADMINISTRATIVE REQUIREMENTS

Borrower shall administer Loan funds in accordance with the requirements of this Agreement, Division of Housing Guidelines, and this **Exhibit B**. Borrower shall comply with all applicable administration requirements including those set forth in the State's Community Development Block Grant (CDBG) Guidebook, as amended.

7.1. **Accounting.** Borrower shall maintain segregated accounts of Loan Funds and Other Funds associated with the Project and make those records available to the State upon request. All receipts and expenditures associated with the Project shall be documented in a detailed and specific manner, in accordance with the Project Budget in **§5.2** above.

7.2. **Audit Report.** If an audit is performed on Borrower's records for any fiscal year covering a portion of the term of the Loan or any other grants/contracts with DOLA, Borrower shall submit the final audit report, including a report in accordance with the Single Audit Act and 2 CFR 200.500, *et seq.*, to:

Department of Local Affairs
Accounting & Financial Services
1313 Sherman Street, Room 323
Denver, CO 80203, or
email to: dola.audit@state.co.us, and
dola_doh_loans@state.co.us

7.3. **Cost Certification.** Borrower shall ensure completion of a cost certification for the Project performed by a certified public accountant and shall submit a copy to DOLA within thirty (30) days of Substantial Completion or full lease-up of the Project, whichever is later.

7.4. **Reporting.** In addition to all reporting required pursuant to the terms of the main Agreement, Borrower shall submit the reports listed below to DOLA in a format acceptable to the State. If such reports are not submitted in a timely manner, the State may withhold payments to Borrower as provided in **§6.4** of this **Exhibit B**.

7.4.1. **Financial Status Report.** Within twenty (20) calendar days of the end of each quarter.

7.4.2. **Performance Reports.** Within twenty (20) calendar days of the end of each quarter.

7.4.3. **Lease-up Reports.** Within the first three (3) business days of each month during the Project's initial lease-up period, Borrower shall submit a lease-up report on the status of leasing the Project units to eligible Beneficiaries (the "Lease-up Report").

7.4.4. **Project Completion Report.** Within thirty (30) calendar days of the Substantial Completion or full lease-up of the Project, whichever is later, the Borrower shall submit the HTF Project Completion Report, including all attachments, the final payment request, and the final Financial Status Report. If

Borrower does not utilize all of the Loan Funds, then Borrower shall provide DOLA with a deobligation letter with the final completion report.

7.4.5. **Davis-Bacon Payroll Reports.** [Reserved].

7.4.6. **Environmental Report.** Within thirty (30) calendar days of the Substantial Completion or full lease-up of the Project, whichever is later, the Borrower shall submit the HTF Environmental Report, which shall demonstrate compliance with HUD Environmental Requirements as set forth in §7.14 below.

7.4.7. **Program Income.** If this project generates Program Income, following the Project Close-Out Date, Borrower shall submit Program Income reports on a semi-annual basis, or more frequently as HUD or the State may require. These reports shall be submitted in accordance to the reporting requirements in DOLA's Program Income Guidelines (which are available on DOLA's website). **THIS §7.4.7 SHALL SURVIVE EXPIRATION AND/OR TERMINATION OF THE LOAN FOR AS LONG AS THE BORROWER RECEIVES PROGRAM INCOME.**

7.5. **Monitoring.** The State shall monitor this Loan in accordance with its Risk-Based Monitoring Policy (which is available on DOLA's website) and §7B and §7C of the Loan Agreement. Final evaluation of the Project will be accomplished when DOLA approves the Project Completion Report.

7.6. **Bonds.** If the Work involves new construction, rehabilitation, site or facility improvements, Borrower, Subgrantee and/or their subcontractors performing such Work shall secure the bonds hereunder from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR Part 223 and authorized to do business in Colorado.

7.6.1. **Bid Bond.** A bid guarantee from each bidder of Work equivalent to five (5) percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified. The foregoing notwithstanding, no bid guarantee shall be required if the General Construction Contract is in place and executed as of the Effective Date of the Agreement.

7.6.2. **Performance Bond.** A performance bond on the part of the Borrower, Subgrantee or their subcontractor for one-hundred percent (100%) of the awarded contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the Borrower, Subgrantee or their subcontractor's obligations under such contract.

7.6.3. **Payment Bond.** A payment bond on the part of the Borrower, Subgrantee or their subcontractor for one-hundred percent (100%) of the awarded contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

7.6.4. Substitution. Borrower may request and DOLA may approve, at its sole discretion, a waiver to allow another form of surety in lieu of the bonding requirements in this §7.6. Such surety shall be in the form of an Irrevocable Letter of Credit (ILC) or cash collateral, in form and substance acceptable, and payable, to the State. The amount of the surety shall be no less than the total amount of the Loan.

7.7. Procurement Standards. [Reserved].

7.8. Debarment. Borrower shall demonstrate compliance with the below requirements upon request.

7.8.1. Borrower. As a condition of funding, Borrower is actively registered at www.sam.gov, and certifies that it is without active exclusions from eligibility for federal contracts.

7.8.2. General Contractor. Prior to entering into an agreement with any General Contractor, Borrower shall verify and maintain documentation of such verification, including the date conducted, that such entity is also actively registered at www.sam.gov and is not actively excluded from eligibility to receive federal funds.

7.8.3. Subcontractor. Prior to entering into an agreement with any Subcontractor, Borrower shall verify at www.sam.gov, and maintain documentation of such verification, including the date conducted, and that such entity is not actively excluded from eligibility to receive federal funds. Borrower's written agreement with any General Contractor shall require that before entering into an agreement with a Subcontractor, General Contractor shall verify that Subcontractor is not actively excluded from eligibility to receive federal funds.

7.9. Affirmative Marketing Plan.

This section shall shall not apply to this Agreement.

Borrower shall provide and follow an Affirmative Marketing Plan for the Project that meets the requirements of 24 CFR 93.350(b), Section 504 of the Rehabilitation Act of 1973, and other requirements as DOLA may determine from time to time. The disbursement of funds under this Agreement shall be contingent upon the approval of such plan by the State.

7.10. Minority Outreach. Borrower shall take actions to ensure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services. Consistent with this requirement, Borrower shall prescribe procedures acceptable to the State to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in any subcontracts entered into by the Borrower. Borrower shall maintain documentation of all such actions in its procurement practices, provide this documentation to DOLA upon request, and report outcomes during project monitoring.

7.11. Davis-Bacon Act. [Reserved].

7.12. Section 3 of the HUD Act of 1968 and 24 CFR Part 135.

This section shall shall not apply to this Agreement.

In accordance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR Part 135, to the greatest extent feasible, the Borrower and Subgrantee (if applicable) shall take action to provide opportunities for training and employment that arise from this HUD-financed project, give preference in hiring to persons in the Project area whose income is equal to or less than [#]% of Area Median Income (AMI), and give preference in contracting to businesses in the Project area owned in substantial part by persons, or that substantially employ persons, whose income is equal to or less than [#]% of AMI.

Borrower shall maintain documentation of all such efforts in its hiring and procurement practices, provide this documentation to DOLA upon request, and in accordance with §75.25, report labor hours during project monitoring. If reporting indicates that the agency has not met the Section 3 benchmarks described in §75.23, Borrower and Subgrantee (if applicable) must report on the qualitative nature of its activities and those its contractors pursued per 24 CFR §75.15(b) and §75.25(b).

7.13. Uniform Administrative Requirements. If State has determined that Borrower is a Subgrantee at §1.3 of this **Exhibit B**, Borrower shall comply with the requirements of 24 CFR Part 200, which apply to Subgrantees receiving HTF funds, except for the following provisions: §§200.307, 200.311, 200.328(b), 200.329, and 200.333. If there is a conflict between definitions in 24 CFR Part 200 and 24 CFR Part 93, the definitions in 24 CFR Part 93 govern.

7.14. Environmental Requirements. Borrower shall comply with all HUD environmental requirements and shall not obligate Loan Funds prior to compliance with all federal environmental requirements in 24 CFR §93.301(f) and receipt of the written release of funds from the State. The completed Project shall comply with the Environmental Provisions at 24 CFR §93.301(f).

7.15. The Federal Funding Accountability and Transparency Act of 2006 as Amended 3/20/2013 (FFATA). These Loan Funds shall be considered a federal award for the purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note). Borrower shall comply with all the requirements of the Federal Funding Accountability and Transparency Act in accordance with the provisions set forth in **Exhibit C**. Completion and return of the FFATA Data Report Form (**Exhibit C**) is a condition precedent to the disbursement of Loan Funds by DOLA.

7.16. Displacement, Relocation, and Acquisition. Borrower shall ensure that it has taken all reasonable steps to minimize Displaced Persons as a result of this Project. To the extent feasible, displaced residential tenants shall be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the Project upon completion. If this Project includes acquisition, rehabilitation, demolition, or conversion, Borrower is required to follow a Residential Anti-displacement and Relocation Assistance Plan, which complies with all requirements of the HTF program, Uniform Relocation Assistance and Real Property Acquisition Act (URA), and Section 104(d) of the Housing and Community Development Act of 1974 (“Section 104(d)”).

- 7.16.1. **Temporary Relocation.** Borrower shall comply with the requirements at 24 CFR 93.352(b) with respect to residential tenants who will not be required to move permanently, but who must relocate temporarily for the project.
- 7.16.2. **Relocation Assistance for Displaced Persons.** A Displaced Person must be provided relocation assistance at the levels described in, and in accordance with the requirements of the URA and 49 CFR Part 24.
- 7.16.3. **Fair Housing.** Borrower shall advise displaced residential tenants of their rights under the Fair Housing Act, and if the comparable replacement dwelling used to establish the amount of the replacement housing to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.
- 7.16.4. **HUD Handbook.** Guidance to achieve compliance with URA and Section 104(d) acquisition, rehabilitation, demolition, and conversion activities can be found in HUD Handbook 1378 (Handbook), as HUD may amend from time to time. Therefore, Borrower shall comply with all applicable requirements in the Handbook, including, without limitation, the following:
- 7.16.4.1. **General.** All property owners and permanently displaced, temporarily displaced, and non-displaced residents, tenants, and businesses affected by the Project shall receive required notices, advisory services, and benefits.
- 7.16.4.2. **Acquisition.** All acquisitions associated with this Project shall meet the Voluntary Acquisition requirements of the Handbook.
- 7.16.4.3. **Demolition and Conversion.** All occupied or vacant but occupiable lower-income dwelling units (as defined at 24 CFR 42.305) that are demolished or converted to a use other than lower-income housing shall be replaced as required by Section 104(d).
- 7.16.4.4. **Recordkeeping.** Records demonstrating compliance with these requirements shall be maintained in accordance with the requirements of the Handbook, for the period specified in the Handbook or §7 of the Loan, whichever results in a longer retention period. Borrower shall make the following records available to the State:
1. Rent roll or occupancy records for the property at the date of the submission of the application for assistance, the date of site control (if after submission of the application), the date of execution of this agreement, and the date of completion of the project. Records should include all persons moving into the property after the date of execution of this agreement but before the completion of the project.
 2. Copies of Notices and proof of receipt shall be submitted to the state within 30 days of issuance.

3. Documentation of advisory services provided, submitted to the state on a monthly basis, submitted no later than the 3rd business day of the following month.
4. When occupants are permanently displaced, documentation of inspection and offer of at least three comparable replacement dwellings within 30 days of offering to the displaced tenant. Only in situations where three comparable replacement dwellings are not available (*e.g.*, when the local housing market does not contain three comparable dwellings) may the Agency make fewer than three referrals.
5. When occupants are permanently displaced or temporarily relocated, documentation of moving assistance payments shall be submitted to the state within 30 days of moving. Unless the tenant is being displaced by a Public Housing Authority from a public housing unit, the occupant must be offered the choice of actual reasonable moving expenses (49 CFR 24.301(g)) or fixed payment for moving expenses (49 CFR 24.302).
6. On a monthly basis, provide documentation by the 3rd business day of the following month to the State of any and all of the scenarios in this section. When occupants are permanently displaced, documentation of replacement housing payment calculation and payment made, including documentation of replacement and displacement rent amount, documentation of income calculation, and comparable replacement dwellings used to calculate upper limit of replacement housing payment per 49 CFR 24.403(a), if applicable. When occupants are temporarily relocated, documentation of any temporary payments made.
7. When businesses are permanently displaced, documentation of moving assistance and related expenses payments shall be submitted to the state within 30 days of moving. Documentation of reestablishment expenses paid shall be submitted within 30 days of payments being made.
8. When occupants are temporarily relocated, documentation that they return to the building/complex within one year. If an occupant is relocated for more than one year, they are considered permanently displaced and all permanent displacement rules apply.

Upon Request, Borrower or Grantee shall provide additional documentation relating to the relocation of residential or non-residential tenants.

7.16.5. Corrective Action If the State and/or HUD determine that Borrower or Subgrantee did not comply with URA and/or 104(d) requirements, Borrower agrees to take corrective action as the State requires, including but not limited to

locating displaced tenants and providing benefits to which those tenants were entitled in arrears.

7.17. Conflict of Interest.

7.17.1. Subgrantees. If Borrower is a Subgrantee pursuant to §1.3 of this **Exhibit B**, Borrower must comply with the conflict of interest provisions at 2 CFR 200.318.

7.17.2. Recipients. If Borrower is a Recipient pursuant to §1.3 of this **Exhibit B**, Borrower must comply with the conflict of interest provisions at 24 CFR 93.353.

7.18. Eminent Domain. Loan Funds shall not be used in conjunction with property taken by eminent domain, unless in accordance with the exceptions listed at 24 CFR 93.355.

7.19. Civil Rights. Regardless of Project type, Borrower shall comply with civil rights statutes and regulations, including Title VIII of the Civil Rights Act of 1968 (“Fair Housing Act”), Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973 (“Section 504”), Section 109 of Title I of the Housing and Community Development Act of 1974, Title II of the Americans with Disabilities Act of 1990, the Architectural Barriers Act of 1968, and the Age Discrimination Act of 1975. Implementing regulations are cited in **Exhibit A**. Laws specifically relevant to this Agreement include, without limitation, the following:

7.19.1. Fair Housing Act, as amended. The Fair Housing Act prohibits discrimination in housing-related transactions based on race, color, national origin, religion, sex, familial status, and disability.

7.19.2. Section 504, as amended. Section 504, as amended, provides that no qualified individual with a disability may, only by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

7.19.2.1. Section 504 Self Evaluation. Borrower shall submit a Section 504 Self Evaluation and shall revise all policies and procedures identified, which may result in prohibited exclusion or discrimination of disabled persons, to comply with Section 504. Additionally, Borrower shall evaluate reasonable accommodation requests and comply with Section 504 requirements to make such reasonable accommodations that provide disabled individuals equal opportunities to benefit from the Project.

7.20. Records Retention. Borrower shall maintain and make available to the State Project records in accordance with §9 of the Loan and the applicable requirements at 24 CFR 93.407.

8. PROJECT REQUIREMENTS

8.1. Affordability Requirements - Rental.

- 8.1.1. HTF-Assisted Unit Identification.** Borrower shall designate [insert number (#)] rental housing units at the Project as HTF-Assisted (the “HTF-Assisted Units”). The units designated as HTF-Assisted shall be of the type(s) set forth in the table in §8.1.3.
- 8.1.2. Floating Units.** The HTF-Assisted Units shall be floating units over the Affordability Period, meaning that the units at the project designated by the Borrower as HTF-Assisted Units may change from time-to-time. Borrower shall ensure that the HTF-Assisted Units are, at all times, comparable in terms of number of bedrooms, square footage, and amenities to those units originally designated as HTF-Assisted. Whenever the income of a household occupying an HTF-Assisted unit increases beyond the applicable income limit during the term of the tenancy Borrower shall re-designate the next available unit at the property as an HTF-Assisted unit. Borrower shall keep records of all re-designation actions including, without limitation, the effective date of each such action, and make such records available to DOH upon request.
- 8.1.3. Eligible Beneficiaries.** The HTF-Assisted Units identified in the table below shall be occupied by households who are eligible in accordance with the income targeting requirements set forth in 24 CFR §93.250 (“Eligible Beneficiaries”). For purposes of this Project, Eligible Beneficiaries are households whose annual income (as defined by HUD) is less than or equal to the HTF limit, which is the greater of 30% of the applicable AMI or the poverty line in effect at the time the household initially occupies their rental unit. HTF income limits are determined annually by HUD based on household size and are equal to the greater of the federal poverty guideline and thirty percent of AMI. If no longer published by HUD, HTF income limits shall be determined using an equivalent index designated by the State.

The Project unit mix and applicable percentage of AMI are specified in the table below. HTF income limits applicable as of the date of this Loan Agreement are set forth in **Exhibit D**.

A total of [insert total number] units at the Project shall be occupied by families whose household incomes do not exceed the applicable incomes specified in the following table:

Unit Type	1-BR	2-BR	Total	Income Limit
HTF-Assisted	0	0	0	≤ 30% of AMI
Other Affordable	0	0	0	≤ 30% of AMI
Other Affordable	0	0	0	≤ 40% of AMI
Other Affordable	0	0	0	≤ 50% of AMI
Other Affordable	0	0	0	≤ 60% of AMI
Total Units	0	0	0	n/a

The State will conduct annual reviews of rents and household incomes to monitor compliance.

- 8.1.4. Lawful Presence.** Pursuant to §17 of the Loan Agreement, prior to entering into a lease agreement with any Eligible Beneficiary for an HTF-Assisted unit,

Borrower shall verify that each individual natural person 18 years of age or older in the applicant household is lawfully present in the United States pursuant to 8 U.S.C. §§1601 et seq.

8.1.5. **Income Eligibility Determinations.** The Borrower shall determine that each household occupying an HTF-Assisted unit is income eligible by determining the household's annual income (as defined in 24 CFR §5.609) in a manner consistent with the requirements of 24 CFR §93.151.

8.1.5.1. **Initial Determination.** Prior to initially serving such family the Borrower shall determine income eligibility by examining at least two months of source documents evidencing annual income for the family.

8.1.5.2. **Subsequent Determinations.** In each year during the period of affordability, the Project owner shall re-examine the income of each family occupying an HTF-Assisted unit in accordance with one of the options in 24 CFR §93.151(c). For subsequent annual income determinations, Owner may:

- i. Determine the family's income according to **§8.1.5.1**; or
- ii. Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate*. The certification must state that the family will provide source documents upon request; or
- iii. Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for extremely low-income families for the family size of the tenant household and state that the tenant's annual income does not exceed this limit.

*An owner who re-examines an HTF-Assisted Unit tenant's annual income through a written statement and certification must examine the source documentation of the income of each tenant every 6th year of the Affordability Period, except that, for units that receive project-based assistance, owner must re-examine the tenant's annual income in accordance with the project-based assistance rules. Otherwise, an owner who accepts the tenant's statement and certification of income is not required to examine the income of tenants, unless there is evidence that the tenant's written statement failed to completely and accurately state information about the family's size or income.

8.1.6. **Affordable Rents.** Pursuant to 24 CFR §93.302(b), the HTF rent plus utilities of an extremely low-income tenant shall not exceed the greater of 30 percent of the federal poverty line or 30 percent of the income of a family whose annual

income equals 30 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit.

If an HTF unit receives Federal or State project-based rental subsidy, and the tenant pays as a contribution toward rent not more than 30 percent of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental assistance program. In the event of a decrease or termination of the project-based rental subsidy for the Project, unless such decrease or termination arises from default by Borrower or other material failure to comply with agreements, laws, or regulations applicable to the Project, the State agrees to work in good faith with Borrower to address the Borrower's request to seek alternative sources of funding, and/or, at the State's sole discretion, modify the occupancy restrictions, or increase the rent and income limits required by this Agreement.

The HTF rent limits applicable as of the date of execution of the Loan Agreement are set forth in **Exhibit D**.

- 8.1.7. **Affordability Period.** "Affordability Period" means the HUD Affordability Period plus the DOH Affordability Period (if any). HTF funds invested in housing that does not meet the affordability requirements for the full Affordability Period specified must be repaid. Repayment of Loan Funds shall not terminate the Affordability Period.
 - 8.1.7.1. **HUD Affordability Period.** The HTF-Assisted Units shall be used to provide housing for Extremely Low-Income Persons for thirty (30) years following the Project Close-Out Date.
 - 8.1.7.2. **DOH Affordability Period.** The HTF-Assisted Units shall be used to provide housing for Extremely Low-Income Persons for an additional ten (10) years immediately following the end of the HUD Affordability Period.
- 8.1.8. **Regulatory Agreement.** In order to ensure that all affordability requirements associated with this Agreement and the HTF program are met for the full Affordability Period regardless of any change in ownership of the subject property, Borrower shall execute and record or cause to be executed and recorded **Exhibit F** to this Agreement (the Use Covenant and Regulatory Agreement). Receipt by DOLA of proof of recording of **Exhibit F** in the appropriate county shall be condition precedent to the disbursement of any Loan Funds by DOLA.
 - 8.1.8.1. **Noncompliance.** If the Project is not used to house Eligible Beneficiaries, at Affordable Rents throughout the Affordability Period, Borrower or its successors and assignees, heirs, grantees, or lessees, shall repay the full amount of the Loan Funds to the State, within sixty (60) days of the State's request.
- 8.2. **Affordability Requirements – TBRA, Homebuyer, and Homeowner Rehabilitation Projects/Programs.** [Reserved].
- 8.3. **Homeownership Counseling.** [Reserved].

- 8.4. **Program Income.** Borrowers shall comply with the State's Program Income Guidelines (which are available on DOLA's website) for the tracking, accounting, reporting, and use of Program Income. **THIS §8.4 SHALL SURVIVE EXPIRATION AND/OR TERMINATION OF THE LOAN AGREEMENT FOR AS LONG AS THE BORROWER RECEIVES PROGRAM INCOME.**

9. PROPERTY STANDARDS

- 9.1. **New Construction.** Per 24 CFR 93.301(a), newly constructed facilities shall meet all applicable State or local building codes, ordinances, and zoning requirements at the time of Project completion. All new construction projects shall also meet the requirements below:
- 9.1.1. **Accessibility.** The housing shall meet the accessibility requirements of 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR Parts 35 and 36, as applicable. Covered multifamily dwellings, as defined at 24 CFR 100.201, shall also meet the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619). See §9.5 below.
 - 9.1.2. **Energy efficiency.** Borrower shall ensure that any new construction meets the energy efficiency standards established pursuant to section 1090 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709).
 - 9.1.3. **Disaster Mitigation.** Where relevant, the housing shall be constructed to mitigate the impact of potential disasters (e.g., earthquakes, hurricanes, flooding, and wildfires), in accordance with State and local codes, ordinances, or other State and local requirements, or such other requirements as HUD may establish.
 - 9.1.4. **Written cost estimates, construction contracts and construction documents.** The construction contract(s) and construction documents shall describe the Project in adequate detail for DOLA to conduct inspections. Borrower shall make available to DOLA written cost estimates for construction for DOLA approval.
 - 9.1.5. **Construction progress inspections.** Borrower shall permit the State to conduct progress and final construction inspections. It is a condition precedent to funding that the State determine that work is done in accordance with the applicable codes, the construction contract, and construction documents.
 - 9.1.6. **Broadband infrastructure.** If the Project contains one or more buildings with more than four rental units, Borrower shall ensure that the construction includes installation of broadband infrastructure, as defined in 24 CFR 5.100. This requirement may be waived if DOLA makes a written determination that such installation is not required in accordance with the requirements at 24 CFR 93.301(a)(2)(vi).
- 9.2. **Rehabilitation.** The primary purpose of the Loan Funds in rehabilitation of existing structures is to address health, safety, energy conservation, and structural deficiencies. Upon completion, each HTF-Assisted Unit will at a minimum meet the DOLA

Division of Housing Rehabilitation Standards, available on DOLA's website and incorporated by reference, and all applicable local codes, zoning, and ordinances at the time of Project completion.

9.2.1. **Broadband Infrastructure.** For substantial rehabilitation, as defined in 24 CFR 5.100, of a building with more than 4 rental units, the rehabilitation must provide for installation of broadband infrastructure, as this term is also defined in 24 CFR 5.100. This requirement may be waived if DOLA makes a written determination that such installation is not required in accordance with the requirements at 24 CFR 93.301(b)(1)(x).

9.3. **Acquisition.** Existing housing that is acquired with Loan Funds for rental housing, and that was newly constructed or rehabilitated less than 12 months before the date of commitment of Loan Funds, shall meet the property standards of §9.1, or §9.2, above, as applicable. All other existing housing that is acquired with Loan Funds for rental housing shall meet the property standards of §9.2, above.

9.4. **Manufactured Housing.** Borrower shall ensure that construction of all manufactured housing (including manufactured housing that replaces an existing substandard unit under the definition of "reconstruction") shall meet the Manufactured Home Construction and Safety Standards codified at 24 CFR §3280. To the extent not prohibited by such standards, Borrower shall ensure compliance with any and all applicable State and local laws and codes.

Borrower shall ensure that all new manufactured housing and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction" is on a permanent foundation that meets the requirements for foundation systems as set forth in 24 CFR §203.43f(c)(i). Borrower shall ensure that all new manufactured housing (and all manufactured housing that replaces an existing substandard unit under the definition of "reconstruction") is, at the time of project completion, connected to permanent utility hook-ups and located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability.

If Loan Funds assist rehabilitation of existing manufactured housing, Borrower shall ensure that the foundation and anchoring meet all applicable State and local codes, ordinances, and requirements, or in the absence of local or State codes, the Model Manufactured Home Installation Standards at 24 CFR §3285. Borrower shall ensure that Manufactured housing that is rehabilitated using Loan Funds meets the property standards requirements in §9.2, above, as applicable. Borrower shall allow DOLA access to inspect the Project to verify compliance.

9.5. **Fair Housing Act (42 USC 3601-20), and Section 504 (29 USC 793), as amended.** Construction shall meet the accessibility standards of the Fair Housing Act and Section 504. For housing projects which include any new construction or substantial rehabilitation of multi-family housing units, Section 504 requires selected units to be made accessible to persons with disabilities, and to the maximum extent feasible, these units are to be evenly distributed throughout the Project site and be sufficient in range of size when compared to other units. Specific requirements include:

- 9.5.1. Handicap Accessible.** [Number] (#) units shall be designated to meet the requirement that at least 5% of total Project units shall be made handicap accessible according to the Uniform Federal Accessibility Standards.
- 9.5.2. Persons with Hearing or Visual Impairments.** Number (#) units, in addition to those required in §9.7.1, above, shall be designated to meet the requirement that at least 2% of the total Project units shall be accessible to persons with hearing or visual impairments as required at 24 CFR § 8.22.
- 9.5.3. Availability of Units.** The Owner of the housing units shall ensure suitable means are adopted to ensure persons with disabilities are made aware of the availability of accessible units and to maximize use of accessible units by individuals needing the features of these units, in accordance with 24 CFR §8.27.

END OF EXHIBIT B